Representatives Peter Welch (D-VT), Earl Pomeroy (D-ND) and 19 other original co-sponsors today introduced groundbreaking legislation that will support the development of health systems that reward the quality and efficiency of care, rather than the volume and intensity of services. By creating financial incentives to provide better, more cost-effective care, the Welch/Pomeroy legislation will help drive down health care costs and improve patient health outcomes.

[Click here to watch Welch announce the bill.](#)

"In order to reform our health care system and ensure all Americans are covered, we must concentrate on containing ever-escalating costs by rewarding efficient, high-quality care," Welch said. "Rewarding providers who deliver better patient outcomes for less money is a common sense approach to successfully reforming our health care system."

"Our current health care system is fundamentally flawed - we spend more than any other country in the world, and we have far from the highest quality outcomes," Congressman Pomeroy said. "Accountable Care Organizations will change that by rewarding lower-cost, high-quality care over an inefficient system that promotes overuse."

The Accountable Care Promotion Act of 2009 takes a critical step toward long term reform of our flawed health care delivery system by creating a voluntary shared savings program that provides financial incentives to Medicare providers for coordinating patient care. Based on pioneering research by Dr. Elliott Fisher of the Dartmouth Institute, which demonstrates that regions with lower per-patient Medicare spending often provide higher-quality care and better health outcomes, this legislation would rethink a Medicare payment system that promotes overuse.

Specifically, the Accountable Care Promotion Act of 2009 will promote the development of provider networks and organizations, known as Accountable Care Organizations (ACOs). Medicare would establish spending targets for each ACO that reflected the predicted costs for their patients. ACOs that meet quality standards and hold costs below the spending targets would receive a portion of the savings achieved.

With the establishment of ACOs, the federal government can ensure quality while cutting costs by using effective practices to do what is necessary without paying per procedure. Shifting the emphasis from volume and intensity of services to incentives for quality, ACOs support higher value care without disrupting existing payments and practices. Furthermore, because ACOs receive a share of the savings, steps such as care coordination services, wellness programs, and other approaches that achieve better outcomes at a lower cost result in greater reimbursement to the providers.

By rewarding participating providers for achieving better care, better health and lower costs for the populations they serve, Accountable Care Organizations are a common-sense approach to helping address the challenges facing the United States' health care system.

Co-sponsors of the Accountable Care Promotion Act of 2009 include Bruce Braley (D-IA), Ed Perlmutter (D-CO), Jim Cooper (D-TN), Ed Markey (D-MA), Zack Space (D-OH), Allyson Schwartz (D-PA) , Jay Inslee (D-WA), Bill Pascrell (D-NJ), John Lewis (D-GA), Chris Van Hollen

(D-MD), Ron Kind (D-WI), Tim Ryan (D-OH), Chris Carney (D-PA), and Brian Higgins (D-NY), Sander Levin (D-MI), Mike Thompson (D-CA), Earl Blumenauer (D-OR), Linda T. Sánchez (D-CA) and John Yarmuth (D-KY)